Rate of Inflation

†1431. SHRIMATI MAYA SINGH: Will the Minister of FINANCE be pleased to state:

(a) what is Government's target about rate of inflation in terms of percentage, during the financial year 2005-06 and what progress has been made till November, 2005 to contain it at fixed rate; and

(b) whether there is any possibility to achieve this target by Government and if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) and (b) Annual inflation rate as measured by the Wholesale Price Index at 4.3 per cent on November 19, 2005 was substantially lower than 7.2 per cent observed during the corresponding period of last year. The Government does not fix a target for the rate of inflation. Anti-inflationary policies of the Government include strict fiscal and monetary discipline, rationalisation of excise and import duties of essential commodities so that there is no undue burden on the poor, effective supply-demand management of sensitive items through liberal tariff and trade policies, and strengthening of the public distribution system.

Slow growth of GDP

1432. SHRI VIJAY J. DARDA: Will the Minister of FINANCE be pleased to state:

(a) what is the projected GDP for the year 2005-06 in view of the fact that GDP during April-June being 8.1 per cent on services and manufacturing output and the inflation being less than 4 per cent;

(b) whether it is a fact that agriculture output which accounts for 1/5 of GDP, grew at 2 per cent in the first quarter;

(c) if so, what are the reasons for slow growth of GDP; and

(d) whether it is attributable to low rate of rainfall, condition of soil, indifferent attitude of local agricultural officials or inadequate supply of power for agriculture operations?

†Original notice of the question was received in Hindi.